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ITT Figure Is Trustee For Commerce Chief

By Dick Barnes
Associated Press

Felix G. Rohatyn, who made controversial contacts with the White House and Justice Department concerning an antitrust settlement for giant ITT, is the sole trustee for the personal fortune of Peter G. Peterson, new Secretary of Commerce and former adviser to President Nixon.

Peterson was questioned briefly about his trustee arrangement during a confirmation hearing last Feb. 16, two weeks before Rohatyn came into prominence through the ITT controversy. Rohatyn is a general partner in the New York investment firm of Lazard Freres and Co., and director of International Telephone and Telegraph Corp.

Peterson joined Mr. Nixon's staff from the Bell and Howell photographic equipment firm in February 1971 as assistant to the President for international economic affairs and executive director of the Council on International Economic Policy. He was nominated to succeed Maurice Stans as Secretary of Commerce last January.

Peterson signed a blind trust agreement with Rohatyn May 25, 1971. Such agreements, a common practice among wealthy government officials, are designed for the trustee to invest the assets of the beneficiary without telling him what specific investments have been made. This is to protect against conflicts of interest.

Peterson outlined this relationship with Rohatyn to the Senate Commerce Committee at his confirmation hearing:

"This particular firm, Lazard Freres, was at one time ... the investment banking firm for Bell and Howell. They are a major firm in the field and this particular individual was one whom I grew to respect because he worked with our particular company." Because of this, he said, "it seemed to me that would be an appropriate place to invest whatever funds I had."

Peterson's assets were worth nearly $1.5 million in February. They originally consisted principally of Bell and Howell stock, but Peterson said he had instructed that all or most of that stock be sold to avoid any possible conflict of interest.

[Peterson is one of the government officials whom ITT president Harold S. Geneen has acknowledged consulting during the company's lobbying effort to change the direction of Justice Department antitrust policy.

[Geneen told the Senate Judiciary Committee in March that he met with Peterson several times in mid-1971 to discuss antitrust matters, the balance of payments and "international monetary policy."]

During the hearing it was not mentioned that Rohatyn was an ITT director, nor was there discussion of ITT's interest as a worldwide conglomerate in Peterson's areas of responsibility.